



COMMISSION NEWS

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TO: EDITORS, NEWS DIRECTORS
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UNPRECEDENTED INVESTOR EDUCATION CAMPAIGN UNVEILED BY GOVERNMENT, BUSINESS, AND CONSUMER LEADERS

"Get the facts. It's your money. It's your future."

Michael Burton, Director of the Securities Division of the Arizona Corporation Commission announced an unprecedented grassroots campaign to motivate Arizona residents to "Get the facts" about saving and investing, and to avoid costly mistakes that threaten personal financial security. The campaign's slogan is "Get the facts. It's your money. It's your future."

"Financial security starts when you take personal responsibility for your financial well-being. If you pay attention to your money and take charge, you're more likely to gain financial security," Burton said.

Securities regulators released a report today that details how and why many Americans need to know more about saving and investing. The report, *Facts on Saving and Investing*, is available on the internet at www.sec.gov, and can be ordered by calling 800-SEC-0330. The report highlights the following findings:

- Only 4% of investors believe they know "everything" they need to know to make good investment

decisions. (Securities Industry Association poll)

- Approximately 65 million households in America will fail to realize one or more of their major life goals because they've failed to develop a comprehensive financial plan. (Consumer Federation of America/Nationsbank poll)
- Roughly three-quarters of all current workers have no idea regarding how much they need to save and accumulate for retirement. (Employee Benefit Research Institute poll)

Arizona's effort is part of an international campaign that was detailed at a Washington, D.C., news conference Tuesday by U.S. Securities and Exchange Commission Chairman Arthur Levitt, North American Securities Administrators Association President Denise Voigt Crawford, Labor Department Assistant Secretary Olena Berg, and a broad-based coalition of government and financial service industry leaders, and consumer advocates.

Twenty-one countries throughout the Western Hemisphere will also hold events for their citizens as part of the campaign which stretches from Canada to Chile.

"A sound financial education not only builds personal wealth, it is the first line of defense against investment fraud, Crawford said. "It pays to be skeptical, to do your homework and to ask tough questions. Wall Street can be a mean street for those who aren't careful with their money. Wall Street is no short cut to Easy Street. Success takes persistence, patience and practice."

Levitt added that the benefits of investor education are many: "Once people know how to save and invest wisely, they can build financial security while avoiding costly mistakes," Levitt said. "Saving and investing also provides the vital financial resources that help companies grow and create new jobs."

Saturday, April 4, 1998:

National Investors' Town Meeting

(ASU Downtown Center, 10:00am-1:00pm)

A two-hour broadcast will originate from Washington, D.C., and be available nationwide by satellite. It will touch on the facts of saving and investing and cover the most important information that investors need to know. The broadcast will feature SEC Chairman Arthur Levitt and Denny Crawford, President of the North America Securities Administrators Association, as well as industry experts.

- The Arizona Corporation Commission, Securities Division will host a downlink site at the ASU Downtown Center (in the Mercado, 502 E. Monroe Street). The event will be free.

Please check the web site for the latest information about site location:

(www.cc.state.az.us/securities). Interested parties may call the Securities Division for registration and information at 542-0623.

- The Securities Division will have a seminar prior to the downlink event. The seminar will begin at 10:00 am. It will be followed by the downlink at 11:00 am. The Securities Division Management will focus on Investor Fraud, Trading and Markets, Ethics, and Registration of Securities. "One of the best ways to protect investors is to give them the tools they need to protect themselves," explains Burton, " Investors need to know how the industry is regulated to gain confidence in our markets and the securities industry. Investors also need to recognize securities fraud and report it promptly to regulators."

In addition to participating in the National Investors' Town Meeting, the Securities Division encourages that Arizona residents take the initiative in learning about finance and investments.

Americans Need Financial Education

- More Americans than ever are investing in our securities markets directly through the purchase and sale of stocks and bonds, and indirectly through mutual funds. In June 1997, mutual fund assets surpassed \$4 trillion, and continue to rise.
- With the shift from traditional, defined benefit pensions to 401(k) and other defined contribution retirement plans, Americans are increasingly responsible for making their own investment decisions.
- Investors need to learn what questions to ask before investing, how to evaluate financial products and professionals, and how to protect themselves in the marketplace.

I. Get a "Ballpark Estimate" of Your Retirement Needs

- Individuals are encouraged to fill out the one-page "Ballpark Estimate" that helps people compute what they need to save and invest each year to meet their retirement needs. Employers are encouraged to distribute copies to their employees. A joint government publication of the "Ballpark Estimate" will list government sources that provide information on saving and investing. The "Ballpark Estimate" is available on www.asec.org and from 800/SEC-0330.
- Numerous surveys show that Americans seriously underestimate the amount of money they must save for retirement, and fail to save even the minimum amount required.

II. Set Realistic Expectations

- Develop realistic expectations about market returns, understand the risks and rewards of investing, and the need for diversification.
- Educated savers and investors are able to set financial goals and to understand how different products help them achieve their goals.

III. Teach our Children

Parents and teachers are encouraged to teach children and young adults about personal finance.

The Securities Industry Association's Stock Market Game will produce a special curriculum focusing on investing for the long-term. To learn more about this opportunity or receive a kit, call the ABA Education Foundation at 800/338-0626.

- Financial industry professionals and regulators will be encouraged to talk to high school classes about careers in the financial services industry.
- A nationwide survey by the Jumpstart Coalition for Personal Financial literacy found that most high school students graduate with few of the financial skills they need to support themselves.
- Students should understand the importance of short- and long-term saving and investment strategies.

Facts on Saving and Investing Campaign partner organizations include:

Alliance for Investor Education	National Association of Securities Dealers
American Association of Individual Investors	National Council on Economic Education
American Association of Retired Persons	New York Stock Exchange
American Savings Education Council	North American Securities Administrators Association
Certified Financial Planner Board of Standards	Securities Industry Association
Consumer Federation of America	Social Security Administration
Employee Benefit Research Institute	The Bond Market Association
Federal Reserve Board	U.S. Department of Agriculture
Federal Trade Commission	U.S. Department of Labor
International Association for Financial Planning	U.S. General Services Administration
Investment Company Institute	U.S. Securities and Exchange Commission
	U.S. Treasury, Bureau of Public Debt

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